DOCUMENT RESUME

ED 263 275 UD 024 551

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TITLE	Getting 100 Percent Results from the Eight Percent Education Set-Aside Under the Job Training Partnership Act. A Policy Options Report.
INSTITUTION	National Governors' Association, Washington, D.C.
SPONS AGENCY	National Commission for Employment Policy (DOL), Washington, D.C.
PUB DATE	Apr 85
NOTE	36p.
PUB TYPE	Reports - General (140) -- Guides - Non-Classroom Use (055)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Cooperative Programs; Education Work Relationship; *Federal Aid; *Job Training; *Program Implementation; *State Programs; *Youth Employment
IDENTIFIERS	*Job Training Partnership Act 1982

ABSTRACT

This report was designed to help State and local officials carry out their responsibilities under the Job Training Partnership Act (JTPA), Title 1, Section 123 (a) (1), with respect to the eight percent of funds which are set aside to foster cooperation between the JTPA system and educational institutions. The report presents options for States and localities and should be helpful in strategic planning and program design. The paper is divided into three parts. Part I is an introduction to the report and a summary of the context of the eight percent component in JTPA. It describes how recent developments in education are consistent with the eight percent options in JTPA. The special characteristics of the eight percent component of the JTPA statute are presented. There is also a discussion of the first year of eight percent implementation. Part II covers goals and strategies for the eight percent. The report discusses targeting decisions, initiatives to alter institutional relationships, efforts to expand the involvement of the private sector, and the importance of administrative decisions, such as multi-year strategies and methods of distributing the 80 and 20 percent subparts of the eight percent grant funds. Part III develops many of the preceding themes by suggesting guidelines and then specific program models. The models are organized around seven hypothetical goals: improving basic skills, improving student retention and completion, educating dropouts, stimulating competency-based instruction and meaningful credentials, linking economic development with education, meeting skill demands in the private sector, and linking services into a coherent sequence. (KH)

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GETTING 100 PERCENT RESULTS FROM THE EIGHT PERCENT EDUCATION SET-ASIDE UNDER THE JOB TRAINING PARTNERSHIP ACT

A POLICY OPTIONS REPORT

BEST COPY AVAILABLE

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Prepared For The
National Commission for Employment Policy
by the
National Governors' Association

April, 1985

UD024551

PREFACE

This report was designed to help state and local officials carry out their responsibilities under the Job Training Partnership Act, Title 1, Section 123 (a) (1), with respect to the eight percent set-aside funds. The report presents options for states and localities and should be helpful in strategic planning and program design. The paper is divided into three parts.

Part I is an introduction to the report and a summary of the context of the eight percent component in JTPA. It describes how recent developments in education are consistent with the eight percent options in JTPA. The special characteristics of the eight percent component of the JTPA statute are presented. There is also a discussion of the first year of eight percent implementation.

Part II covers goals and strategies for the eight percent. The report discusses targeting decisions, initiatives to alter institutional relationships, efforts to expand the involvement of the private sector, and the importance of administrative decisions, such as multi-year strategies and methods of distributing the 80 and 20 percent subparts of the eight percent grant funds.

Part III develops many of the preceding themes by suggesting guidelines and then specific program models. The models are organized around seven hypothetical goals: improving basic skills, improving student retention and completion, educating dropouts, stimulating competency-based instruction and meaningful credentials, linking economic development with education, meeting skill demands in the private sector, and linking services into a coherent sequence.

The report was funded by the National Commission for Employment Policy through the National Governors' Association. The authors are responsible for any errors and for the opinions expressed throughout the text.

Early drafts of this paper were sent for review to an advisory committee and to the NGA and NCEP. A number of significant changes were made in the text as a result of the comments received. The following people are acknowledged for reviewing the text or for providing information in the report: Jackie Danzberger of the Institute for Educational Leadership; Shirley Fox of the National Institute for Work and Learning; Evelyn Ganzglass of the National Governors Association; Dean Griffin of the American Vocational Association; Karl Grossenbacher, former Chief, California JTPA Office, Employment Development Department, and Tim Taormina, Chief, of same office; Dr. Gus Guichard, Vice Chancellor of the California Community Colleges; Janet Johnston and John Wallace of the National Commission for Employment and Policy; Gerald Kilbert, Director, Office of Employment Preparation Programs, Department of Education, California; John Martin, Council of Chief State School Officers; and the 15 states who responded to our survey on the eight percent funds.

Table of Contents

	Page
PART I: THE EIGHT PERCENT CONTEXT	1
Purpose of the Report	1
The State of Education	1
The Job Training Partnership Act	4
Education & JTPA	5
Eight Percent in the Statute	7
The First Year of the Eight Percent	9
PART II: GOALS AND STRATEGIES FOR THE EIGHT PERCENT	10
Goals	10
Strategies to Implement the Programs	12
The Twenty Percent Funds	14
Conclusion	16
PART III: PROGRAM MODELS	17
Introduction	17
Guidelines	17
Program Models	19
PART IV: CONCLUDING REMARKS	31
About The Authors	32

PART I: THE EIGHT PERCENT CONTEXT

Purpose of the Report

The Job Training Partnership Act of 1982 is the federal government's newest effort to assist states and localities in preparing the unemployed and disadvantaged for productive job opportunities. Conceived as a partnership between the public and private sectors, JTPA provides funds nationwide to nearly 600 service delivery areas through formula grants administered by Governors. In addition, twenty-two percent of each state's allocation is reserved for the state to spend through special initiatives, including eight percent to foster cooperation between the JTPA system and educational institutions.

The purpose of this report is to assist policymakers and planners at both the state and local levels to make effective and creative use of the eight percent funds. The report argues that the eight percent offers a genuine resource for improving educational and employment outcomes for disadvantaged youth and adults despite the fact that the current availability of funds under the eight percent is approximately $140 million nationwide--a seemingly negligible amount in comparison to the $110 billion spent each year on elementary and secondary education. It is a resource which can and should be used to provide needed employment related services linked to educational services. If used strategically, it can, at the same time, be used to bring about more lasting change in the way at-risk individuals are served within the employability and education systems. Governors should consider using the leverage provided through the eight percent to focus the way traditional state functions related to education and training, such as allocation of resources, instructor preparation and development, and service delivery are carried out to more adequately address the needs of at-risk populations. Furthermore, the eight percent dollars can make a significant contribution to furthering state educational and economic reform initiatives by enhancing or supplementing local efforts in areas such as assessment, counseling, remediation and preparation for the world of work which are particularly important for educationally and vocationally at-risk individuals.

The State of Education

Education has become a major public policy issue in the 1980's. A decade which began with a reduction in federal financial assistance and a continuing plethora of state referenda limiting tax expenditures may well end showing the largest increase in spending on public education in over thirty years. The 1980's have seen numerous reports from prestigious panels often criticizing the quality of American education. The result has been an explosion in state and local initiatives to improve schools. The problems of education have not been solved, but they are being addressed.

According to the Education Commission of the States, forty-six states have enacted or proposed new legislation to reform education

in public elementary and secondary schools. The scope of these plans is enormous, ranging from new initiatives to train and recruit teachers to expensive efforts to upgrade education at all levels throughout the states. The specific programs embody an array of creative approaches to education. North Carolina is implementing "Centers of Excellence" to promote education and research in advanced technologies. In Kentucky, the Commissioner of Education can declare a local district "bankrupt" if it does not meet certain objective performance measures in three years. New Jersey is changing its teacher certification laws to permit experts in subject matter areas quick entry into the classroom, while Tennessee has established a five-step career ladder which can give teachers incentives from $500 to $7,000.

The new interest in education has often sprung from commissions which have included business members or it has resulted in the creation of new partnerships with the private sector. In Minnesota and California, business groups have helped analyze the needs of education and have lobbied on behalf of reform proposals. Action-oriented business partnerships have flourished, especially in larger cities whose school populations include many children from poor and minority families. In the District of Columbia, five career academies are being sponsored by major corporations. In Dallas, 1000 companies are paired with nearly 200 public schools, while in Kansas City, a group of major firms is training school administrators in leadership skills.

Why such interest in education? The first explanation stems from a growing perception that schools have declined in quality since the early 1960's. Led by A Nation at Risk (1982) adopted by the President's Commission on Excellence in Education, a series of reports has taken educators to task for everything from the amount of homework to the sick leave of teachers. Nearly twenty years of declining scores on the Scholastic Aptitude Tests encouraged the belief by parents, business leaders, and elected officials that schools no longer produced graduates capable of competing in the labor force.

These criticisms have struck home, even though they should not overshadow the successes in our education system. A higher percentage of Americans will receive high school diplomas this year than ever before. More Americans complete high school than do the citizens of any other country. Test scores have begun to reverse the trend of recent decades: SAT scores are up and achievement on standardized reading and math tests has improved in thousands of school districts. Recent comparisons of the top ten percent of American college students with the elite of foreign universities show that the Americans more than hold their own.

Statistics, though, will not quell the anxiety many Americans have about education. This leads to a second explanation for

the rise in interest in schooling: a growing belief that technological and economic changes have increased the value of academic skills. Tougher competition from overseas in basic industries like steel and automobiles, the proliferation of computers in offices and homes, and the emergence of new industries, such as genetic engineering, are among the phenomenon which have caused many people to re-examine the role of education.

In an era of information, basic academic skills are the passports to economic success. The connection between education and employment has gained new strength and has been the impetus to many of the promising educational initiatives around the country.

This connection is echoed at all levels of the spectrum, but is especially profound for those who do not finish school or who lack basic skills. Research on youth has shown that high school graduates earn sixty percent more than non-graduates in their first ten years after graduation. High school dropouts are three times as likely to be unemployed as graduates. Two-thirds of all the economically disadvantaged people in the nation - the group targeted by JTPA - do not have high school diplomas. For blacks, the higher the achievement test scores, the greater their employment - as much as fourteen percent more weeks of employment for each level above the mean.

For those at the upper end of the educational scale, excellence means the opportunity to employ their skills in lucrative and exciting careers. The success of the American economy in international competition may rest on our ability to generate such excellence. At the same time, substantial numbers of Americans will fall further behind academically and economically unless steps are taken to move them from out of school into the classroom, from illiteracy to basic skills, and from marginal jobs into productive careers.

There are other challenges. It has been estimated that over thirty million Americans are functionally illiterate, that is, they do not have the degree of competence required to master the demands of many jobs and many life situations. Although not enough is understood about the true dimensions of this problem, we do know that basic skill deficiencies exist among the old and young alike with the greatest problem in sheer numbers occurring among the 18-29 year old population. Between 700,000 and one million young people drop out of high school each year. A disproportionate share of the educationally deficient across age groups are poor, immigrants, or minorities. How will the resurgence of educational reform help them?

The keyword of educational reform is excellence. Missouri's new plan is "Reaching for Excellence"; Pennsylvania's is "An Agenda for Excellence"; and Alabama's is "A Plan for Excellence".

Excellence is not confined to programs for talented students; virtually all statewide initiatives will benefit the majority of students. In fact, the press for excellence is probably most valuable in urban high schools which have the fewest examples of it, because it conveys the positive message that learning is important and that all students can learn.

Nevertheless, the problems of some groups require special assistance: workers displaced by technological innovation; refugees from political repression; women re-entering the workforce; high school dropouts and others. People with severe and multiple educational deficits are clustered in the poorer urban and rural areas, yet few of the state initiatives are targeted on those areas. Thirty-eight states have new programs for gifted and talented students, while seventeen have new programs for dropouts. Many states are imposing new graduation requirements and competency exams, but only a handful, such as Ohio and New York, are subsidizing the cost of remediation for people unable to pass those tests.

The thrust for excellence in public education creates a positive climate for addressing all educational challenges. The needs of some groups exceed the scope of many of the new initiatives and invites collaboration with other resources. The Job Training Partnership Act is one important public program well suited to help meet these needs.

The Job Training Partnership Act

The Job Training Partnership Act went into effect in October of 1983. It replaced the Comprehensive Employment and Training Act (CETA) and, though it was by no means a wholesale renovation of CETA, it contains many new features and new opportunities for collaboration with education institutions. JTPA is intended to be a partnership between the public and private sectors at both the state and local levels. Its ambition is to remedy the employment problems of the nation's poor, disadvantaged, and unemployed people.

There are four major differences between JTPA and the federal job training efforts which preceeded it. First, it is not a wage subsidy or income transfer program. CETA and the Manpower Development and Training Act of 1962 were meant to focus on education and training, but they became the anchor for other programs which tried to address income and job deficiencies directly, through large subsidies to local governments. Regardless of their merits, these programs came to be regarded as makework and often interfered with CETA from realizing its educational and training goals.

Second, JTPA gives to Governors a major policy and planning role. CETA was federally administered and states were marginal players in that system. Under JTPA, Governors have substantial

powers, from appointing the State Job Training Coordinating Council to proposing boundaries for Service Delivery Areas to setting criteria for coordination between JTPA and other aspects of public policy. Since JTPA is also meant to stimulate local leadership and respond to local needs, local authorities retain control over client selection, choice of intervention and service provider. In this sense, JTPA is a partnership between the state and local government.

Third, JTPA allows states and localities to engage in a broad variety of programs, but it requires that these programs be measured in terms of their results. The demand for accountability in JTPA programs, along with the incentives which Governors can offer to reward performance, find parallels in state education initiatives where both entire systems as well as individual students and teachers are increasingly expected to demonstrate their competence.

Finally, JTPA has given the private sector a significant policy role in job training. Each JTPA administrative unit must form a private industry council (certified by the Governor) which has a business majority and a business chair. These PICs make JTPA unique among federal programs in having business oversight and they offer a chance for the employment and training system to build a strong foundation of support among their most important consumers: the companies which can hire their graduates. Since educational institutions have also been reaching out aggressively to the business community, there is great potential for linking the partnership of JTPA with the needs of local education.

Education & JTPA

Can the eight percent funds be the glue which binds the JTPA system with educational institutions? Before answering this question, it is necessary to examine the other ways in which educators can play a role in JTPA.

In the broadest sense, JTPA is an educational program, for it seeks to provide people with the language, vocational, attitudinal, and other skills they need to gain unsubsidized employment. It differs from other educational efforts because of its close ties to the labor market and because of its concentration on people who have fallen through the cracks of mainstream institutions. JTPA usually does not create a separate system of services; however, it relies on leveraging services from schools, community agencies, colleges, and others with educational expertise.

Surveys have shown that the largest role played by education in JTPA is as a contractor or service provider. Seventy percent of the SDAs use schools in this capacity, making them the single most widespread type of contractor. This accords with the

legislation's injunction to PICs to give priority to qualified educational agencies. In addition, the law requires that forty percent of each jurisdiction's funds be spent on people under the age of twenty-two. Since this is the normal target group of secondary and post-secondary schools, it is not surprising that education agencies dominate this level of JTPA service.

There are two other important ways for educators to play a role in JTPA. First, the law mandates that educators serve as members of both local PICs and the State Job Training Coordinating Council. In practice, the configuration of education representation varies widely, but it often means that there are representatives of both public high schools or vocational schools and colleges on PICs. This gives them a forum in which to express the needs and concerns of the educational community. It also allows them to influence the policies of the private industry council and, hence, the total JTPA system. The degree of influence will depend on the structure of the PIC and on the leadership of the educational representatives. Indeed, given the attraction which schools hold for business, the private sector majority on PICs may be receptive to strengthening ties with schools.

Second, the Governor has the power to establish criteria under which local JTPA entities must coordinate with other groups concerned with employment issues. These coordination criteria are important policy tools and most states will use them to promote links between the JTPA system and educational institutions. The membership of education officials on State Job Councils can stimulate such criteria.

The JTPA system then provides several roles for educators and educational agencies. Strategies for using the eight percent funds should take into account the status of other aspects of JTPA. This may either be a context in which eight percent programs can fit or the eight percent may become the tool which enables educators to make use of these additional JTPA roles.

There is no doubt that the history of cooperation between local and state education agencies and federal employment programs leaves much room for improvement. The tension in the relationship is often attributed to structural features of one system or the other. For example, the federal fiscal year of CETA was an obstacle to collaboration with schools operating on school calendars.

Changes have taken place which suggest a more promising future for this collaboration. Although it has other less positive results, the drastic reduction in funds for federal job training has led state and local policymakers to collaborate with other groups in order to accomplish their goals. The important policy roles accorded business locally and the Governor statewide means that the JTPA system has access to both public and private leadership

within the state with few biases about the CETA past. Schools themselves have become more responsive to ideas for change, especially in the urban areas where poverty and illiteracy are such visible companions. And the new Carl D. Perkins Vocational Education Act, renewing and modifying the Vocational Act of 1976, provides for explicit collaboration with JTPA and promises the potential for more services for the economically disadvantaged. Above all, the importance of education as part of the state and local economic development system has been highlighted. It is no longer possible for either schools or employers to isolate themselves. Continuing education is essential to maintain both economic productivity and individual careers. Life-long learning is moving from the pages of doctoral theses to the budgets of local school boards. Neither school nor JTPA leaders can afford to let the past define their futures.

Eight Percent in the Statute

Section 123 (a) (1) of JTPA authorizes Governors to provide funds from Title IIA to a state education agency responsible for education and training and to establish criteria for coordinating activities with programs and services provided by state and local education and training programs. These funds amount to eight percent of the total Title IIA allocation of the state.

Section 123 breaks these funds in two smaller parts: eighty percent (6.4 percent of the Title IIA total) are to be used for programs stemming from written cooperative agreements between the state education agency, SDAs, and, where appropriate, local education agencies to provide education and job training to eligible participants. The other twenty percent (1.6 percent of the Title IIA total) may be spent on technical assistance, professional development, job placement, counseling, curriculum development, and other indirect activities aimed at coordinating education and job training.

The eight percent funds differ in several ways from the rest of JTPA:

- There are, as yet, no federal performance standards which apply to eight percent programs. This means that there is some flexibility in defining or measuring the goals of eight percent programs, not that they should have none.

- Twenty-five percent of the people served in eight percent programs can be non-economically disadvantaged. The income test for eligibility has long been a barrier to cooperation between federal job training and the education system.

- The normal JTPA spending caps - 70 percent minimum on training, 15 percent maximum on administration and support services - apply differently. There is no administrative cap on the twenty-percent which can be spent on coordination. There are no caps on the training or support services costs for the eighty percent portion.

These differences are useful: they give the eight percent some flexibility and help to translate JTPA rules into a form often more convenient for educational agencies. For instance, the eight percent provides a pool of resources which can be spent on professional development. This can be very attractive to state education agencies with ambitious plans to improve teacher training or guidance counselor preparation, but limited local tax funds. It is important, however, to note that the flexibility of the eight percent set-aside does not fundamentally alter the fact that these are funds targeted to the economically disadvantaged and that programs will need to comply with JTPA rules.

There is one more difference in the eight percent part of the statute. All programs, whether operated by the state agency or run through written local agreements, must match each JTPA dollar with a non-JTPA dollar. This matching requirement can be met at the state level or passed on to local agencies through a combination of both approaches using any non-JTPA resources.* In any case, it is less a technique for generating more cash than it is a way to insure that eight percent programs will actually be linked with other education efforts. The time of teachers or administrators devoted to the project may constitute the match. The match requirement can reward projects which are enterprising in gaining funds from private or public sources or projects which succeed in linking with educational institutions.

*The match can include use of other federal funds if permissible by the statutes governing the funds. Matching funds, according to the National Alliance of Business (Technical Report #2, February 3, 1984), may include "direct costs of employment and training services provided by state or local programs e.g., vocational or adult education programs, cash, equipment, facilities, services and supplies funded from other sources, such as attendance based formula aid, college full-time equivalency and, high school equivalency aid and other state categorical grants, as well as in-kind contributions."

As discussed in Part II, the first decision which a Governor must make about the eight percent is the choice of which state agency will handle the funds. It is noteworthy that, unlike setasides under CETA, no single state education agency is the presumptive manager for these funds. The Governor might assign them in whole or part to a state vocational agency, to the Chief State School officers responsible for elementary and secondary education, to one of several post-secondary systems, or to any state agency which administers education or training programs, including, if appropriate, the overall state JTPA department.

Because this initial decision sweeps across the landscape of educational institutions in a state, it means that the eight percent funds can and should be planned in terms of other state education and training goals. Where are the gaps in a state's new education reform package? Which groups are benefitting the least from current training, literacy, vocational, or academic services? The eight percent can knit together the frayed ends of policy and programs. In today's context of change and renewal in both education and the economy, the eight percent is an important asset to policymakers and planners.

The First Year of the Eight Percent

The National Governors Association, the U.S. Department of Education, and Public/Private Ventures, Inc., have each conducted surveys of how states used the eight percent in the first year or so of JTPA. These surveys document considerable variation in (a) which state education agency managed the funds, (b) which groups were targeted for services, and (c) what kind of services were provided. Virtually every state served both youth and adults with eight percent money and most states transferred the funds either to a state agency or directly to local SDAs.

The general nature of these surveys does not allow conclusions about whether eight percent funds are being employed strategically to address major state goals or to effect institutional change in the relations among schools, employers, and the training system. Given the number of states which either used the funds to make up a shortfall in local JTPA dollars or which spread the money over a wide number of services, it would seem that, because of the pressures of the overall implementation of JTPA, the eight percent funds were not highlighted. This is understandable in view of the time pressures on expenditures for all aspects of JTPA and the shakedown period required of any new institutional venture.

This report assumes that the real opportunities for the eight percent funds lie ahead. Private industry councils are now getting their bearings and beginning to exert themselves in the local system. Similar developments are occurring at the state level. The challenge is for state and local policymakers and planners to design a strategy for the eight percent which can focus it on significant educational issues and result in program innovations and structural change.

PART II: GOALS AND STRATEGIES FOR THE EIGHT PERCENT

In order for a state-local planning process to make the most effective use of the eight percent funds, the planners should consider a three-step decision-making process. The first two steps are the subject of this part of the report:

- Determine the overall goals for the grant program;
- Analyze the strategies best suited to reach these goals;
- Identify which program models are congruent with goals and strategies (this is covered in Part III).

Goals

The first step in taking advantage of the opportunities offered by the education and coordination grant is to set goals which reflect an understanding of the great flexibility available concerning target groups. The eight percent funds can serve virtually any demographic group that is eligible for JTPA. In fact, the "twenty-five percent window" in the legislation even permits service to those whose incomes are above JTPA cut-off levels.

In particular, it is important for decision-makers at the state and local level to realize that both youth and adults are eligible. Although a quick reading of the term "education grant" would suggest that young people are the target; in fact, many adults also require literacy and other services.

This considerable target group flexibility is reflected in the wide variation of groups served in different states. Kentucky, for example, has focused on dropouts, the handicapped, offenders, wards of the state, and mentally retarded. In contrast, Maryland emphasized in-school youth with serious barriers to employment while Massachusetts placed a major emphasis on AFDC recipients.

In addition to concern with the target groups, state and local decision-makers may have other institutional goals for the eight percent funds. By the very structure of the legislation these funds encourage cooperation between training and education agencies. It follows that administration and allocation of these monies might be structured in a way to enhance past relationships and deepen cooperation.

At the state level, joint planning can facilitate both coordinated services and targeting to particular groups. For

example, JTPA agencies and community colleges might design programs aimed at the needs of dislocated or disadvantaged adults with JTPA funds employed for skill training and community colleges providing remediation.

The benefits to closer relationships between education and training agencies extend beyond this particular grant. However, given the press of daily business, it is often difficult to get such a relationship started without a common project that is substantial enough to capture the attention of key decision-makers. Common planning around the eight percent grant may thus provide a forum, which can then be extended to other areas.

At the local level many agencies serve the same client. If the group selected for services with the eight percent money is youth, they are likely receiving services from schools, correctional agencies, and social service agencies, in addition to the JTPA system. If a segment of adults is chosen, then an equally wide array of public agencies is likely to touch their lives.

It may not be realistic to believe that all of these agencies can be welded together to provide a perfectly coherent package of services. However, there are many opportunities for improved cooperation. A simple example concerns the sharing of facilities, in which JTPA training programs make use of vocational education equipment. More complex opportunities involve joint programming, for example, combining work-education "enriched" summer youth programs with in-school activities for youth when the summer ends and any variety of coordinated activities directed at serving the unique needs of individual students. Such institutional arrangements can be facilitated through implementation of a case management approach to the diagnosis of client needs, prescription of services and monitoring of individual progress. Individualized service plans such as those used in special education might be used in conjunction with such an approach. Part III presents many more examples.

Another institutional goal for the education and coordination grant may be to involve further the private sector in the planning of education, employment and training programs. In recent years there has been a rapid growth in business/school partnerships. The JTPA structure is naturally supportive of such relationships because of the central role played by the private industry councils. Involving the business community in eight percent decisions is especially attractive given the need to raise matching funds. Assistance provided by the business community may count towards this match.

An example of such cooperation between business, the schools, and the JTPA system is provided by the Boston Compact. Formed

in 1982 by four partners - the schools, business, city government, and universities - the Compact set three goals: (1) to increase by five percent each year the proportion of students who entered the ninth grade who subsequently graduate; (2) to assure by 1986 that all graduates demonstrate reading and math competencies set by the School Committee; and (3) to increase by five percent the number of graduates who obtain jobs or who continue their education. The mechanism for moving students from school to work is called the Job Collaborative and is operated by the Boston Private Industry Council. The PIC also acts as an intermediary between schools and companies.

Strategies to Implement the Programs

There are many different choices available concerning how to administer and deliver the eight percent funds. To a certain extent the considerations underlying these choices involve administrative simplicity but programmatic themes are also important in making these decisions. In examining these choices it is also important to remember that mixtures are possible. For example, it is possible to set-aside a fraction of the funds for issuance of an RFP (one of the options discussed below) while reserving the remainder for distribution by formula as California has done.

One possibility is for the state to retain the funds and employ them to support a major statewide initiative. This is the approach followed in South Carolina. The funds are targeted on adult and youthful offenders (although not exclusively), and the state is seeking to create a flexible system and common framework among schools and the technical education community. The major components of the strategy include: State education grants to local education agencies (LEAs) for remediation laboratories which will provide basic skills, vocational upgrading and GED preparation. Other grants will be directed to technical colleges for the development of computer assisted instruction (CAI) and computer managed instruction (CMI) techniques, network-building activities, and in-service training aimed at teachers.

An approach such as this involves strong state initiative in that the state both defines the program goals and manages the program. **An alternative approach which maintains the state's role in defining the program's goals but which channels the funds to the PICs and SDAs is a state designed RFP.** This was the approach followed in Massachusetts.

In Massachusetts the state Office of Training and Employment Policy (the JTPA agency within the Executive Office of Economic Affairs) determined to employ the eight percent grant to forge new institutional relationships among key actors. In order to accomplish this the Office of Training and Employment Policy established an education task force to provide advice concerning

the use of the grant. All of the important state agencies were represented on the task force and as a result the process achieved consensus at the state level.

The decision was made to distribute the 80 percent funds through a competitive RFP in which only PICs were eligible to submit bids. Hence this grant was used to build up the central community-wide planning role of the PIC. The RFP specified that the funds be used for at least one of three target groups - AFDC recipients, dropouts, and disadvantaged youth - but was non-prescriptive regarding program design. However, the RFP was very firm about process. Each PIC was required to establish a community planning group consisting of representatives from all of the important educational institutions as well as from the private sector and the training agencies. This planning group was required to arrive at a consensus concerning local priorities and how to meet them. The proposal had to carefully document the operations of the planning group as well as provide hard evidence that the group would remain operative after the award. In addition, the programs supported by the grant had to be organized around the priority goal and could not simply be a combination of different unrelated activities no matter how good each was standing alone.

In order to provide PICs with technical assistance in organizing the planning process and in generating program ideas OTEP organized three activities through its Partnership Center. Three regional conferences were held in which an expert in mediation presented ideas for a successful planning process and in which program experts from around the country presented model programs. Second, staff from the state Department of Education were funded to provide technical assistance. Finally, additional experts from elsewhere in the country were made available to SDA planners in several all day workshops.

The outcome of this extensive process was that nine of fifteen SDAs received grants and that in each case innovative programs emerged. But more importantly, a new and effective relationship was established at the local level between SDAs and schools. In addition, the PICs gained considerable insight regarding their role as a result of the process.

In Massachusetts the RFP process worked well. In addition, it is worth noting that the lead role was played by the state JTPA agency. However, **it is also possible to design an effective system in which funds are distributed by formula**. The Michigan strategy was characterized by this approach and, in contrast to Massachusetts, the lead agencies were from the education community.

In Michigan the eight percent funds are allocated by formula to each of the 26 SDAs. Each SDA develops a Cooperative Agreement

under the direction of state officials. Although funding decisions are made by the Department of Education, the Department receives recommendations from the 26 PICs who are in turn advised by designated education subcommittees.

Michigan targets 40 percent of the 80 percent component to meet established Department of Education training goals. These include service to dropout-prone youth, handicapped youth, and out-of-school youth. Training services cover the gamut of allowable activities and federal performance standards (unadjusted by the state) apply to the grant.

The contrasting examples of Massachusetts and Michigan point to an important characteristic of this grant. The legislation assigns a significant role both to JTPA and to education agencies. A range of administrative options are possible and some disagreements may arise concerning who is the responsible agency. Resolution of this possible conflict may involve one or another agency being given the lead role at the state level, joint state level responsibility, and a comparable set of options at the local level.

An interesting example of shared responsibility is provided by Wisconsin. In Wisconsin the education governance structure is assigned the lead role but within that community two agencies - the Department of Public Instruction (DPI) and the Board of Vocational, Technical, and Adult Education (BVTEA) - share the responsibility. These two agencies jointly develop a plan reflecting state JTPA policy direction as established by the SJTCC. The plan calls for the DPI to directly fund exemplary projects serving disadvantaged youth ages 14 to 18 (and through 21 for the handicapped). The Wisconsin BVTAE uses the eight percent funds to link vocational education with other training projects and education agencies in the state.

The two education agencies jointly plan and separately administer their respective shares of the grant. In particular, they work independently on review and selection of projects, monitoring of delivery agents, technical assistance, and so on.

The Twenty Percent Funds

As the preceding discussion makes clear, a significant aspect of the education and coordination grant involves establishing effective working relationships among a variety of state and local agencies. The twenty percent portion of the grant was established to assist in these and other related support functions.

It may be very tempting for states to simply hold back these twenty percent monies and use them for administrative purposes. However, these funds are sufficiently flexible that

there are many other creative ways in which they can be deployed to achieve the broader goals of the grant.

An example of such a use is in **South Carolina**. As described earlier, the 80 percent portion of the grant is being used to develop a statewide initiative for special groups such as offenders. **The twenty percent grant is being employed to support joint planning among key state remediation agencies and to establish a new Remediation Service Bureau.**

In **Massachusetts** the 80 percent grant was used to establish a complicated RFP process which involved a good deal of local level planning. In order to support this process the state **used a portion of the twenty percent grant to sponsor a series of technical assistance conferences which presented various program models and also provided training in mediation and negotiation.**

The twenty percent funds might also be used to foster the use of **case management techniques** at the service delivery level so that the training and support needs of individual participants can be better accommodated within JTPA and a variety of school based programs. In such an approach the 80 percent portion might be directed to individualized remediation, assessment, counseling or support functions needed to keep identified potential dropouts in schools while the 20 percent portion could be used for **creating a community-wide network of support functions available for referral** by schools and other community groups or agencies. For instance, the twenty percent funds could be used for inventorying local assessment, counseling, educational, social service and other resources available for referral, negotiating interagency agreements regarding referral of individual students/clients and training, supervision and on-going support for interagency case management teams. It might also be used to **subsidize the additional cost of developing individualized service plans or enhancing local MIS systems** to enable individual client tracking within and across delivery systems.

Another possible use of the twenty percent grant is to provide the information needed to make wise choices with respect to target groups and program strategies. In **New York**, for example, **a portion of the funds is being used to support labor market information services.**

Other options for the twenty percent funds include more **diversified staff training** in such things as computer assisted and computer managed instruction, youth competencies and other matters related to the goals of the 80 percent grant. The funds could support MIS staff and other management staff whose job it is to reduce institutional barriers between state and local agencies and develop strong technical assistance units. More illustrations of these applications are found in Part III.

Conclusion

The education and coordination grant provides many opportunities for states and localities to assess their education and training needs and design a flexible strategy for meeting them. As this section has sought to make clear, there are a number of different approaches for achieving these goals. What target groups are chosen, how the funds are distributed, and what role different agencies play are all important questions. Our perspective is that these are strategic questions which should be addressed and answered in the context of a well thought out set of goals for this grant.

One final point. States and localities should carefully consider the operating period of programs. JTPA allows Service Delivery Areas and PICs to plan on a two-year program cycle. Even though funds are appropriated annually, the two-year cycle encourages stability. States and localities should consider goals and operational strategies which take two or more years to fulfill.

There are several reasons for doing so. The most obvious is that a goal of institutional change will take several years to carry out: A state which announces, for example, the desire to establish a statewide literacy system with JTPA or a lead education agency as the cornerstone will lack credibility if it speaks in terms of accomplishing this in one year.

A second reason stems from the perspective of education agencies. CETA was often criticized by educators for having the wrong schedule - federal fiscal year rather than the school year - and for demanding results in a matter of months. This can seem inappropriate in view of the chronic and serious problems faced by the structurally unemployed. A multi-year outlook may attract more substantive participation by education agencies.

Finally, a multi-year strategy will allow administrative differences among cooperating agencies to become known to one another and for solutions to be found. Consider the example of performance based contracting. JTPA agencies are quite familiar with it, but schools and vocational educators may initially have difficulty in adjusting to this method of contracting. The multi-year period also gives administrators time to work out potential conflicts between the eight percent component and other components of JTPA such as the 78 percent and 3 percent timetables for plan development, submission and review processes.

PART III: PROGRAM MODELS

Introduction

Because of the strong interrelationship between programs, policies and implementation, it is important for the state and local areas to think carefully about the kind of programs which can fulfill policy objectives. How long will the funding cycle be, one year or longer? How will the impact of the strategy be measured? Will the funded programs be stand-alone models, labeled clearly as innovations, or will they be designed to merge discreetly into the institutions targeted by the policy? Is it essential to have visible success right away? Can it or will it carry out the strategy envisioned? A few guidelines for linking programs and policies are reviewed below.

Guidelines

A capable state-local planning process will carefully consider the circumstances of a given state and its localities. An exciting program idea in one place may be ridiculous in another. This is seen most often in the expansion of urban programs to rural or suburban locales. For example, the idea of pairing a business with a high school, known as the Adopt-a-School Model, may not be very sensible in a county with one high school and hundreds of square miles of territory. Alternately, the Job Corps, which has had some success with low-achieving dropouts in its rural enclaves, has been less successful translating its program to urban neighborhoods. If local community input is built into the state planning process, these potential problems will be diminished.

Innovations must be defined locally and will have endless possible adaptations. Most often, new ideas in one place may already have been institutionalized somewhere else. This is especially the case in forging links between different segments of society or different agencies of local or state government. Remediation tools that might be commonplace in an elementary school special needs classroom can be news to a community agency serving dropouts. The job placement service which routinely moves high schoolers into full-time employment can be a new program when applied to mothers ready to move into the workforce after years of raising children. The participation of business in career exploration may be taken for granted in some high schools, but a radical idea when matched with the needs of the handicapped.

Because strategies and goals are by nature general, there will always be more than one possible program to implement them. For example, if a goal of the eight percent strategy is to strengthen private industry councils as JTPA entities, this might be accomplished simply by channeling the money through the PICs or by requiring them to devise their own eight percent programs, or even by asking them to generate business support for programs operated by the schools. If there are institutions in a community that have traditionally not collaborated, any of several linkages, some of them as modest as exchanging information or meeting regularly, can help fulfill the goal of bringing them together.

Just as different programs can carry out the same goal, one program type can be justified according to several strategies. For instance, a transition from school to work effort could be funded with eight percent resources in order to increase links between high schools and local employers. It might also be funded as a way to create an incentive for students to stay in school or as part of a broader package of external partnerships aimed at improving the quality of secondary education. To an outside observer, this one program might look the same in each case, yet its impact, its purpose, would vary greatly.

No list of program models, then, can ease the burden of choice on state and local policymakers. In every state, JTPA eight percent funds enter a complex, dynamic landscape bounded at its narrowest by the regulations of JTPA and at its broadest by the need to educate and train future generations. **There is not enough eight percent money to buy all of a state's or local community's favorite projects in education, but there is enough to serve as a catalyst for change.** The relative flexibility of these funds, when contrasted with the rest of JTPA, is enhanced by the matching requirement, which will always mean additional resources are part of the eight percent equation.

The matching funds can be a paper exercise to meet the requirements of the law or the match can establish a process of collaboration which leads to exemplary program models. State funds authorized for training and apprenticeship, adult basic education, the cash value of donated training equipment such as computers, housing stock donated for weatherization training, and even the value of college tuition donated by higher education establishments may lead to collaborations among groups who ordinarily do not meet and to fresh new ideas.*

*One very useful source for ideas on the match requirements of the eight percent is "Tips for Combining Education and JTPA Funding in Minnesota," available from the National Governors Association, Information Exchange, October 11, 1983.

Program design should be knowledgeable about national and other program evaluations and professional literature. Although the state-local planning process and the particular circumstances of local communities will dominate the design of programs funded with eight percent funds, the vast storehouse of information collected by federal agencies (HHS, Office of Education, NIE, U.S. Department of Labor and so on) should be consulted. Moreover, there are dozens of organizations funded with public and private funds which specialize in sharing information of exemplary programs. The National Center for Vocational Education, the National Alliance of Business, the National Governors Association, the National Commission on Employment Policy, the National Conference of State Legislatures, the Education Commission of the States, the Public/Private Ventures, the Brandeis University Youth Employment Clearinghouse, the National Association of Private Industry Councils, Manpower Demonstration Research Corporation, and dozens of other groups have synthesized and often computerized information on what works best for whom.

Program Models

The following discussion is meant to fit into the approach taken in the guide. It assumes that a state-local partnership has gone through a process of choosing a goal for eight percent funds and has devised a strategy to accomplish it. It also assumes that there is an emphasis on innovation or change and that this is embodied in a written agreement, at some level, between a JTPA agency and an education agency. All programs must involve some linkage, which will usually include matching funds. Although the eight percent rules allow programs to serve twenty-five percent nondisadvantaged persons, the hypothetical goals used here generally take for granted that the types of problems to be addressed are ones likely to have an impact on the disadvantaged. Finally, the hypothetical goals reviewed below cover both youth and adults but with more weight on youth. Since it cannot be an exhaustive listing, our aim is to illustrate how program models can, in different and increasingly complex ways, be the last, culminating stage of a significant state-local policy planning process. Each state and community will, of course, make their own final choices.

(1) Goal: Improving basic skills

Earlier in this paper, some of the alarming data about functional illiteracy and some of the positive news about public school reform were cited. How can eight percent funds from JTPA affect these developments? One way is by bringing remedial techniques or programs into settings that need them. Many programs throughout the country are utilizing competency-based systems which make extensive use of computer-assisted instruction as well as traditional paper and pencil techniques of remediation. Eight percent funds could bring such systems into a high school,

vocational technical center, adult retraining program, or private company to teach people who lack basic skills. The hardware might be donated by a computer company and local education agencies might grant diploma credit for the learning gains made by students using these flexible, individualized systems.

A second approach would be to increase access to remediation programs for certain groups. High schools and vocational training centers often possess the equipment and teachers needed for remediation. Young and adult enrollees in JTPA-sponsored skill training programs often lack a solid foundation in reading and math. Using eight percent funds, the high school or vocational education facilities might be used after regular school hours for groups of JTPA trainees. Teachers might also be brought out of the school building to provide basic skill instruction in a variety of non-traditional settings including company and/or union facilities.

In too many instances, the design of occupational training programs precludes an adult who lacks basic literacy from qualifying to enter the program or succeed in the program if in fact he/she is permitted to enroll. A more ambitious model for addressing their concerns is required. For example, even though corporations do not ordinarily regard literacy training as an appropriate part of thefr on-the-job training efforts, they increasingly discover employees who lack these skills. The employee might be able to perform adequately on their current job but be blocked from advancement. Since the employee is unlikey to give up the job in order to attend school full-time, a creative linkage between the company, and, perhaps, a community college might be initiated. The company would allow the employee to take time off from work to use a learning lab staffed inside the company by the college. If advanced skills led to promotion, perhaps the wages from the new job could be used as match for the JTPA investment in the learning lab. Such a program would be suitable for the economically disadvantaged entry-level worker or the 25 percent non-economically disadvantaged person allowed by JTPA.

Widespread adult literacy has caught the attention of both the public and elected officials. The problem has been aggravated by the rising requirements of the labor market and by the influx of new immigrants in the last decade. A state might choose to use eight percent funds as the nucleus for a statewide campaign around literacy. Many states, such as North Carolina, Kentucky, Mississippi, and California have recently enacted ambitious programs to strive for excellence in public education. A literacy campaign can be the first step in this process.

Local public schools and post-secondary institutions may want to tackle the literacy issue but lack the money required. The state can take the lead in assembling the resources for

a quantum expansion in literacy programs, building on adult basic education centers, GED courses, community agencies, and other established providers. Creative linkages can be formed such as connecting JTPA's summer jobs program to literacy centers and running the programs year round. With the eight percent as a magnet, other sources of funds can be attracted, such as federal Adult Basic Education money, Community Development Block Grant funds, welfare grant diversion funds and special funds targeted for refugee assistance. Since all these programs are controlled in part by state agencies, a cooperative agreement to attack literacy must begin at this level, then be adapted by local agencies able to muster matching resources. With this method, each dollar of eight percent money can generate four or five dollars of service.

(2) Goal: Improving student retention and completion

In many public school systems, especially larger urban districts, school retention, completion and poor attendance is a chronic problem. It is often described as symptomatic of other problems: lack of motivation, inappropriate curricula, poor basic skills, or peer pressures.

Business-school collaborations may start by tackling one of these problems. Business people can help to revise curricula or work with guidance counselors to make education more relevant to their students. Some companies have provided cash rewards for good attendance or have financed special trips or prizes.

Eight percent funds can be used to link employers, schools, and the JTPA system in a more structured fashion. JTPA authorizes so-called try-out employment (Sec. 205 [d] [3] [B]), in which the wages of students are subsidized for a short time with private sector employers. Tryout jobs might be offered to at-risk students on the condition that they attend school in order to go to work. The large Youth Entitlement experiment a few years ago along with cooperative education and the Experience-Based Education movement, showed that a job can have a positive effect on school attendance. The tryout wage subsidy might be a necessary ingredient to persuade employers to condition their job on school attendance. Few JTPA programs are using the tryout wage under title IIA, probably because of the added expenses involved. If an eight percent effort can demonstrate its usefulness as a stay-in-school incentive, more programs may emulate it.

A job conditioned on school attendance may provide the extra inducement for completing an education. However, by itself it does not change the nature of the education offered in the school. A second, more complex program model can do just that. For fifteen years, the Philadelphia Academies have been creating new, exciting academic structures within regular public high schools. An "academy" is a school-within-a-school whose curriculum

is organized around a career area. Students take their basic courses from Academy instructors in a small group within a supportive atmosphere. Each Academy has at least one business partner who helps to bring employers into the school, develop job opportunities, and insure that the curriculum makes use of community resources. The Academies are ambitious programs which focus intensive efforts on marginal students in some of Philadelphia's most troubled public high schools. They have succeeded in motivating students with poor attendance records and the model has been adapted by other cities, including the Peninsula Academy in San Mateo County, California.

The premise of an Academy is that a restructured education is necessary to bring some young people back to the classroom. Several years ago, the Boston public schools faced more pervasive problems: A dropout rate nearing fifty percent, the majority of students scoring more than two years below grade level, attendance at just above seventy percent in the high schools. When deficiencies become this ubiquitous, effective school improvement needs to be a community-wide effort. In Boston, this effort is known as the Boston Compact, a long-term agreement among the city's businesses, colleges, and public schools. As noted in Part II, under the Compact, over 300 major employers have agreed to give priority in hiring to Boston high school graduates in return for the schools' making measurably gains in attendance, achievement, and placement. The Compact has been widely publicized as a business-education landmark, yet it is less well-known that key roles were played in its development by the city's JTPA agency and by the local private industry council. The JTPA partners put together the basic programs which generated a spirit of success around the schools, and it was their resources which catalyzed the negotiations which led to the final agreement. A Boston Compact will not be the solution for every community which seeks to maximize its eight percent funds, but in some places it can provide the critical dollars needed to transform some model programs into an aggressive campaign to improve public education.

(3) Goal: Educating those who have already dropped out

What about those young people who have left school before graduation? Long-term improvements in public education will not help them. Statistics make clear that a dropout has a much greater chance of being unemployed and, consequently, a significantly lower lifetime income than a graduate. One way to help them with eight percent funds is to launch an alternative school program.

An alternative program is usually designed to meet the exact educational needs of its students. Such a program may offer an adult diploma, a GED, and/or competency-based education. It will often combine individualized instruction with counseling,

skill training, and job placement. Because school dropouts have multiple problems, an alternative program can be the best solution. Such programs afford good opportunities for linkage among community agencies, schools, and employers.

One such approach is run by the Alternative Schools Network of Chicago, a coalition of 47 community-based organizations providing education, counseling, recreational, and employment and training services to inner-city neighborhoods. Confronted with a school dropout rate in Chicago of 55 percent and growing employer demand for youth with basic skills, the Network adopted the Comprehensive Competencies Program (drawn from the Job Corps and other sources) to provide competency-based, remedial education to out-of-school youth so that they might succeed in the world-of-work.

The Comprehensive Competencies Program is a system of proven paper and pencil and computer assisted instructional materials. It provides individualized, self-paced instruction, delivered on an open-entry, open-exit basis and covers academic objectives from the beginning level to those needed for post-secondary education and training. It also covers functional objectives vital for successful performance in the world of work, the marketplace, and the home. Learning centers have been funded with eight percent dollars to utilize this product of the Remediation and Training Institute in Washington, D.C.

The Career Intern Program of Opportunities Industrialization Centers is another community-based alternative for dropouts. And, in Atlanta, Rich's Department Stores has put a classroom inside one of its buildings where students attend basic education classes part of the day and work the rest of the day. In Massachusetts, the Honeywell Corporation provides an industry-based version of this model. Eight percent funds might be used to link already existing community-based alternatives with a vocational high school where the students could gain access to the kind of skill training beyond the scope of a small agency.

Alternative schools work best for people who have friends who are still attending high school. But a large number of young adults, over eighteen, who lack a diploma and the skills which go with one find alternative schools unattractive. In many cities, half of the JTPA eligible population (youth and adults) consists of school dropouts or people without a diploma. A few years ago, the city of Denver tried a more comprehensive approach to their needs. Teaming up with a community-based organization and a community college, Denver pooled all of its job training funds to create an open-entry, open-exit skill training center. Offering a range of competency-based courses, from reading and math through word processing and carpentry, the skill center provides a functional alternative for large

numbers of young adults who lack the skills for a college degree program but are past the hope of completing a conventional high school diploma. Denver used JTPA funds to fill a major gap in its service delivery system, but it did so in partnership with established educational institutions in the community.

The results of leaving school early show up in many ways: among young criminal offenders, among young parents receiving AFDC, among the long-term unemployed and the people needing extensive counseling or rehabilitation. Better coordination among the many agencies that affect dropouts is an essential step toward improving the effectiveness of local programs, especially for dropouts who have left traditional services behind.

Oregon is one of several states which have embarked on an ambitious statewide policy process aimed at rigorous coordination on behalf of at-risk youth. With a new state policy in hand, one reviewed by the legislature and promoted by the Governor, they are using JTPA and private funds to replicate the state-level process in different jurisdictions in Oregon. Eight percent funds can stimulate such a state task force approach to the needs of dropouts and other special populations, such as the handicapped, veterans, offenders, and others.

(4) Goal: Stimulate Competency-Based Instruction and Meaningful Credentials

High schools grant successful graduates a high school degree or students can pass a general equivalency degree. Employers recognize these credentials and over time have come to rely on them for basic hiring decisions. Although the standards and competencies which lie behind the degrees vary from place to place and change frequently, employers treat the credentials quite seriously. How will employers within a community respond when other certificates begin to appear which are said to represent the same capacities? What will happen to the value of the high school degree when employers are faced with applicants possessing a "career passport", "job portfolio" or other document identifying the job relevant competencies and experiences gained through participation in a local training or education program?

Although such JTPA certificates are not yet prevalent, they do exist in the military and Job Corps. And, many communities offer opportunities to obtain "alternative resumes" such as career passports. With considerable momentum in both education and training systems for competency-based approaches to learning, it is important that educators and trainers communicate more actively on the content of competency-based programs and their relationship to resulting credentials.*

*Section 106 (b) (2) of the Job Training Partnership Act covers employment competencies for youth and is the mechanism for the described collaboration.

JTPA, in particular, is relatively new to the competency movement and stands to benefit from the experience and knowledge of public schools and vocational educators. JTPA calls for youth programs to have performance standards and measures that will accurately reflect what is provided in the programs. It also calls for the programs to address employment competencies which are recognized by private industry councils. This requirement has stimulated considerable interest in competency-based programs but often without effective technical assistance from educators with relevant experience. Many states are using eight percent funds to train trainers who in turn work with SDAs and PICs to meet JTPA's emphasis on youth competencies. But without the significant involvement of educators, a community could end up with two or more systems of credentialing for employers to sort out. Eight percent funds could be used to fund technical assistance teams and a collaborative process at the local level to achieve the necessary "cross-walking" of competencies. Does one credential lead to another? Are competencies in the same skill recorded in the same way by different credentials? Do all the credentials in a community have the same currency with employers? Variations of this approach are underway in a number of states.

Consider Indiana where direct technical assistance is provided by five state program coordinators who are the SDA's principal contact for state education coordination. The funds come from the 20 percent portion of the eight percent. In Connecticut, the state's Department of Education contracted directly with the Youth Practitioners Network (YPN), an organization devoted to "peer to peer" training exchanges among youth practitioners. The YPN is assisting each SDA in Connecticut with the youth employment competency provisions of JTPA. Connecticut also held back some funding for education department staff support while other funds will be earmarked for "priority school districts". Finally, in California SDAs received funds for cooperative agreements from the eight percent. The city of Los Angeles with the LA United School District, LA Community College, and Brandeis University formed a partnership to assist the LA PIC Task Force on Youth Competencies. The project is working to develop new city-wide competency-based youth programs which meet PIC determined skill and competency goals for in and out-of-school youth. The state of California also used eight percent funds to train a team of practitioner "consultants" to assist localities in implementing youth employment competency systems.

(5) <u>Goal: Link economic development with education</u>

How can eight percent funds, with their education connection, be a viable part of an economic development strategy? As with our other hypothetical goals, there are both simple and complex program approaches. One simple model is the small business

center funded by the Volusia Private Industry Council at Daytona Beach Community College. Reasoning that small businesses are job incubators, the local PIC wanted to assist entrepreneurs to increase their chances of turning their bright ideas into solvent businesses. The community college center targets entrepreneurs who wish to locate in the county's more depressed sections. It enlists experts in financial management, marketing, construction, leasing, and so forth to give both general courses and individual guidance to fledgling businesses. The program links the JTPA system, community colleges, and small businesses.

A variation on this theme occurs when an educational institution, a college or vocational high school, turns one of its skills centers into a business opportunity. Many vocational schools have designed their in-school restaurants as work experiences for the culinary arts students. By opening the restaurants to the public, they provide actual working conditions as experience while they generate cash for hard-pressed school budgets. Some schools have even sold pieces of land for hotels or housing, then used both the construction and occupancy phases as learning chances for their students.

A more ambitious idea has the state targeting its economic development incentives, such as Community Development Block Grants (CDBG), or offering its assistance in applying for Urban Development Action Grants (UDAGS) in places that can match the physical development with capital investments. Courts have upheld city or state plans which require developers receiving UDAGS and other public aid to hire local residents. But a hiring injunction is not a partnership. By attaching to the UDAG or CDBG award an eight percent funded program to train residents in skills needed either for construction or for permanent jobs, the state can address both the demand and supply side of the equation at once. In San Francisco, builders must pay into a fund which can be used to underwrite community housing and related needs. Eight percent funds can link this fund with colleges or vocational high schools, which can make sure that new developments benefit current residents.

Some states have used education as a centerpiece in broad-based strategies to attract new jobs and new industries. The prototype for this concept was South Carolina's Technical Education System. Put together in the 1960s, this system created vocational facilities around the state which would customize training for new employers. The state also had a marketing staff which vigorously promoted South Carolina's ability to mold a workforce to suit the needs of an employer. Comparable efforts have been undertaken in North Carolina, Georgia, Kentucky, Missouri, and Oklahoma. More recently, Colorado FIRST has explicitly linked JTPA, community colleges, training, and economic development in an effort to lure new firms to the state's less developed counties. With high technology placing a greater emphasis on human capital,

street; the databank would also include information for local industry on school personnel who consult and who would be willing to help solve industry's problems. A pilot of this project is underway in Montgomery County, Maryland which focuses on mathematics and the sciences.

Skill shortages cannot always be matched with existing educational programs. Companies are increasingly creating their own schools for employees, or, as with IBM, seeding the creation of skill training institutions around the country. Recognizing an ongoing demand for people trained to operate advanced office equipment, IBM sought to invest in community agencies which could draw minorities and the disadvantaged into these growing fields. There are over thirty IBM training centers with each incorporating different community and educational links.

Programs to upgrade workers, particularly those in declining occupations, and to re-train dislocated workers can also be expanded with eight percent money. Because these needs tend to occur in widely disparate parts of a state, local JTPA or education agencies may lack the capacity to address them alone. Often the state is in the best position to assemble the key resources, perhaps even a permanent roster of upgrading instructors or a roving team of dislocation experts, as in the Canadian Manpower Consultative Service. However, local communities can utilize the vast testing and occupational information resources of the Employment Service, such as the General Aptitude Test Battery (GATB), and locate these services for the unemployed in high schools, vocational centers or community agencies. Although The Wagner-Peyser Act and JTPA encourage this type of linkage, the Job Service has not been able to actively market the GATB for a number of years and as of now, the use of the GATB in schools, for instance, is seriously diminished.

Another model which focuses on demand occupations is the state level "skills corporation". Drawn from Massachusetts' Bay State Skills Corporation, this approach creates a pool of funds which can underwrite training in post-secondary institutions provided that the costs of the training are borne equally among employers. Eight percent funds could be used to demonstrate the feasibility of a skills corporation on a pilot scale. A small staff is organized to give technical assistance to companies or colleges. The fund acts as an incentive to encourage the educational institutions to reach out to employers and to encourage companies to use these resources to foster a better trained workforce. Some states have adapted the skills corporation model as part of their package of economic development incentives. The flexibility of this model, as well as its emphasis on partnerships, makes it well-suited to training in new skill areas, like CAD/CAM or advanced medical technology.

the impact of states to employ eight percent funds as part of an economic development strategy increases.

(6) Goal: Meeting skill demands in the private sector

Staffing a brand-new factory or office headquarters is an exciting but rare opportunity for most localities. New jobs usually appear as expansions of existing firms, as new occupations demanded by technology, or as the product of general economic growth. How can eight percent funds help to meet skill shortages through links with educational institutions? Prototypical solutions were invented by vocational educational agencies. For example, cooperative education has students divide their time between classroom training and on-the-job training. This model as well as apprenticeship programs are especially valuable in skilled trades, where one generation of craftspeople will train the next. Vocational schools have also pioneered partnerships in which companies use their facilities to train in demand occupations.

There are some more subtle variations on this model. In Oak Ridge, Tennessee, for example, the Training & Technology program is a long-standing collaboration of employers, the local government, and area universities. It recruits and trains people in five major skilled occupations which are always in demand in Oak Ridge's huge laboratories. JTPA agencies in the region help recruit and prepare the trainees, while the actual instruction is performed by a consortium of colleges along with the major private contractor. The last role was held by Union Carbide for many years, but has recently been assumed by the Martin Marrietta Corporation.

Large city school systems are also working on the problem of meeting the skill demands of private industry. The Career High School concept in Washington, D.C. represents a partnership with real links between updated skills training and jobs in the local labor market. Supported by a wide range of local businesses, corporations, trade associations and foundations, the Career High Schools involve employers in management training for administrators, teacher training, curriculum development, and work-study jobs for students. Each partner attempts a careful blending of school-based curriculum and instruction with employer-based learning and job experience leading to jobs in the health fields, office professions, food services and technical occupations.

Often technology can be a useful aid in linking educators to the private sector. An eight percent funding package, for example, could support the development of a business-school partnership in which a computerized databank helps teachers locate the resources of local companies. These resources might include speakers for vocational exploration classes, tutors, field sites, and job placements. But linkage is not a one way

Finally, today's private sector jobs require greater adaptability to changing job requirements than ever before. The eight percent might be used in conjunction with Unemployment Insurance or welfare payments. Pilot tests of grant diversion could be funded in which the grants would be used to payroll skill upgrading. The Supported Work program and the United Auto Workers "nickel fund" have demonstrated the feasibility of such approaches. The eight percent could also be for collaborative planning for creative retraining programs which would be funded with the surplus some states have generated in unemployment insurance funds.

(7) Goal: Linking services into a coherent sequence

We have sketched a number of program options which link educational institutions with business, government, or community agencies to provide new services or innovations. One goal which has often eluded planners is to join together different services into a coherent sequence which can guide a person through several developmental states. Even if there are adequate separate services, the system cannot be said to work if special groups such as dropouts, delinquents or young parents slip between the cracks. Other cracks are evident when, for example, employers do not communicate to the schools where their employees are enrolled or when summer programs make no connection to year round education. The gains made by a person in one service may be blunted when there is no follow-up.

To some extent, the lack of sequence in services is related to poor information and poor guidance. Eight percent funds could be used to train guidance personnel to make them more aware of the world of work, of JTPA programs, and of post-secondary opportunities. Albuquerque, New Mexico's Career Guidance Institute, offers staff development of this sort and is run by the Chamber of Commerce. There are many other interesting examples in many states of companies hiring counselors during the summer to expose them to the nature of contemporary work environments. Staff development can also be applied to case workers from welfare departments, probation officers, social workers, and others.

The first stage in a coherent developmental system of education and training is employability testing, occupational assessment, and career information. The eight percent can be utilized to reduce duplication of effort and services among the many labor market information (LMI) and testing facilities in community colleges, vocational schools, regular high schools, and government and community agencies. Computerized "networks of networks" might be facilitated linking the unique features of the different systems. Alternatively, new systems could be supported if cooperatively planned and developed.

Another potential use of eight percent funds is to modify an existing service so that it better links other programs. For example, the Ford Foundation sponsored several "enriched" summer youth jobs programs this year. The idea was to devote half the time a youth would be on a subsidized job to individualized remediation in reading and math. The program was aimed at 14 and 15 year old students who were substantially behind academically and eligible for the JTPA Title IIB summer jobs. This enriched model forms a bridge between academic years precisely for those students who stand to lose the most by their ten weeks away from school.

The virtues and complexities of sequencing can best be observed around the difficulties of a special population, like young mothers, runaways, or prisoners who have dropped out of school or lack basic skills. A comprehensive service model for these groups requires linkages with social service providers. What will happen to their welfare and Medicaid benefits? How can they be scheduled into school for their basic instruction? What if they or their children have chronic medical problems? What about sex stereotyping as a barrier to their gaining the job skills they need? Who can help them supplement their income with a part-time job?

Young mothers from poor families and other groups, such as runaways, prisoners, and the homeless are at-risk of a permanent separation from the job market because there is no case management available to deal with their several needs and because services are not available to them except in isolation. An AFDC diversion grant might pay for literacy instruction. A transition-from-school-to-work program (or prison-to-work program) might link them with a job. Day care might be around the corner if they have a voucher. The new Carl Perkins Vocational Education Act might offer non-traditional training in a regional vocational school. Eight percent funds can be the glue that binds all of this into a coherent program of services, one which makes sense to the person, which encompasses his/her multiple needs, and which supports the person in the long, arduous progression from dependency to self-sufficiency.

PART IV: CONCLUDING REMARKS

The eight percent education set-aside is an exceptional opportunity for state-local collaborative planning and program design. The impacts the eight percent funds can have on the education and training system covers both institutional change and direct outcomes for clients enrolled in programs. Small though the eight percent funds may be relative to all of JTPA and education funds, the uses for the funds are very flexible and varied.

This report describes the purposes behind the eight percent, some guidelines for choosing goals and strategies, and some model programs and approaches. Since every state has already put into place eight percent programs, our goal has been to stimulate a rethinking of the prior decisions and to invite planners and program operators to think creatively about this aspect of the Job Training Partnership Act. There is no reason why last year's decisions cannot be improved, expanded or eliminated. Hopefully, this report has been useful for these purposes.

About the Authors

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